



Douglas W Baillie

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To: Timothy J Szerlong/ChubbMail@ChubbMail

cc:

Subject: 2001 Scorecard

Tim,

Financial - 75%

CCI - both the calendar and accident year loss ratios, growth, and rate increase are greater than the superior target. Retention is currently at 75% which is the threshold. This is largely due to more aggressive culling of the book to reduce UM exposure. This should increase to the superior range by year-end.

CSI - the loss ratio and growth exceed the superior targets. Retention is at the superior target. Rate increase is at target but will be greater than superior as large rate increases are expected on key large accounts in the last quarter.

CPI - the loss ratio exceeds the superior target. Growth and retention are at the target of 89 for homeowners and 88 for auto. Signature Solutions retention is at 96 on a stick count argument, however the largest branch account has been lost.

Expense improvement is at 1.2% on a target of 1. Controllable expenses are 3% under. Mix of business is at the threshold at the seven month mark but should increase above the target as CCI has a larger portion of their renewals in the first seven months and CSI has the larger portion of their renewals in the last five months.

Summary: Overall loss ratio and growth are exceeding the superior targets. Expense management is in the superior range and retention is currently at target. Overall performance is superior with all departments making an underwriting profit and strong growth in the branch.

Internal - 10%

Book quality has obviously improved which is noted by the dramatic improvement in loss ratio. Audit scores in 2001 are as follows: DFI - B+, OSD - 82, CCI - 77.

CCI consists of TIS - 74, CIS - 67, CAS - 80, PMM - 84, ERS - 86.

Policy issuance results - new lines are at 80% largely due to holdups in getting Ohio UM rejection forms signed. Renewals are at 97% and endorsements are at 93%.

Management of Ohio Um from a strategic and procedural perspective has reportably been excellent.

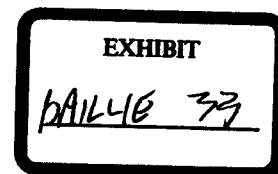
CPR is at 53

Summary: Results fall between target and superior range.

External - 10%

Customer development - documented account management plans are complete with visitation schedule. Plans are reviewed in marketing meeting to ensure 95 - 100% compliance. I personally visit 1-2 clients per month. Results - Above average - superior.

Producer Management - new appointments are currently at 10 and we will hit target or superior. Canceled agents are at four and we will hit the superior level.



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New appointment premium increase is currently at 3.2% . This should increase significantly but too early to tell.

Summary: Active account management, agency management and appointment process are resulting in excellent growth in profit. Increased aggressive travel with document trip reports also assisted in driving this results. Louisville and Columbus agency management plans are improving but need to go to the next level. The national template will help to standardize these reports, improve consistence and improve driven results.

People - 5%

All top performers were retained. Deveiopmental plans are in existence for all direct reports. There is a succession plan for all payband 6. Female and minority representation at band 6 and 5 will exceed 4%increaseszerlong. Minority turnover is 0. Diversity committee has set goals for business outreach, community outreach, communication and strategic staffing. Meeting and exceeding these objectives. Mentoring many high potential people within branch. Putting particularly emphasis on two minority females.

On target to meet 40+ hours learning for over 95% of employees.

Summary: Should exceed all targets in people management. In addition, branch is extremely active in community service, thus increasing our exposure and giving back to the community.

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